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# Before the FEDERAL COMMUNICATIONS COMMISSION RECEIVED Washington, D.C. 20554

'DEC 2 - 1996

In the Matter of	)	FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY
The Merger of MCI Communications Corporation and British Telecommunications plc	)	96-345

#### **APPLICATIONS AND NOTIFICATION**

#### **VOLUME TWO**

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Dated: December 2, 1996







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#### **VOLUME TWO, SECTION A**

#### APPLICATION PURSUANT TO SECTION 63.18 FOR TRANSFER OF CONTROL OF SECTION 214 CERTIFICATES AND AUTHORIZATIONS AND REQUEST FOR TRANSFER OF CONTROL OF SUBMARINE CABLE LANDING LICENSES

MCI Communications Corporation and its subsidiaries ("MCI") and British Telecommunications plc ("BT") hereby request authority of the Federal Communications Commission ("FCC" or "Commission"), pursuant to Section 214 of the Communications Act of 1934 ("the Act"), 47 U.S.C. § 214, and Section 63.18 of the Commission's Rules, 47 C.F.R. § 63.18, to acquire facilities through the transfer of control of a common carrier holding international Section 214 certificates and authorizations. Applicants additionally request authority, pursuant to Section 214; An Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39; and Section 1.767 of the Commission's Rules, 47 C.F.R. §§ 1.767, to transfer control of submarine cable landing licenses. A detailed description of the transaction is contained in Volume One, Section II of this filing. A demonstration that the proposed merger is in the public interest is contained in Volume One, Sections III of this filing.

#### I. REQUEST FOR TRANSFER OF CONTROL

Pursuant to Section 63.18(e)(5) of the Commission's Rules, 47 C.F.R. § 63.18(e)(5), Applicants submit the following information:

(a) The names, addresses, and telephone numbers of Applicants are:

Transferee: British Telecommunications plc

**BT** Centre

81 Newgate Street

London EC1A 7AJ England Tel: +44 (0171) 356-5000

Transferor: MCI Communications Corporation

1801 Pennsylvania Avenue, N.W. Washington, DC 20006-3606

Tel: (202) 872-1600

(b) BT is a public limited company organized and existing under the laws of England and Wales.

MCI is a corporation organized and existing under the laws of the State of Delaware.

(c) Correspondence concerning this Application should be addressed to:

For BT:

Colin R. Green
Secretary and Chief Legal Adviser
British Telecommunications plc
BT Centre
81 Newgate Street
London EC1A 7AJ England
Tel: +44 (0171) 356-5237
Fax: +44 (0171) 356-6135

with a copy to:

Joel S. Winnik Hogan & Hartson L.L.P. 555 Thirteenth Street, N.W. Washington, DC 20004-1109

Tel: (202) 637-5600 Fax: (202) 637-5910

#### For MCI:

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Law & Public Policy
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(d) MCI is currently authorized to own and operate submarine cable facilities and satellite circuits, and to provide international basic switched, private line, data, television and business services pursuant to the Section 214 certificates and authorizations that are a matter of record with the Commission, as listed in Exhibit I of this Application.

BT's wholly-owned affiliate, BT North America Inc. ("BTNA"), is currently authorized to provide international switched, non-interconnected private line, international simple resale services, and facilities-based services pursuant to order and authorizations granted in File No. ITC-93-126, File No. ITC-95-178, and File No. ITC-96-440. Requests for authorizations are pending for the provision of international services between the United States and France, in File No. ITC-96-491, and between the United States and the United Kingdom, in File No. ITC-96-439. BT and its affiliates have not received any other authorizations under Section 214 of the Act.

- (i) BT hereby certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier or administration with respect to traffic or revenue flows between the US and any foreign country which BT may serve under the authority granted under this part and will not enter into such agreements in the future.
- (j) BT hereby certifies that no party to this application, as defined in 47 C.F.R. § 1.2002(b), is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a).

#### II. CONCLUSION

Accordingly, Applicants respectfully request that the Commission grant this transfer of control.

MCI COMMUNICATIONS
CORPORATION

D. 0400

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Executive Vice President
& General Counsel
Mary L. Brown

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1801 Pennsylvania Avenue, N.W. Washington, D.C. 20006-3606

Respectfully submitted,

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Attorneys for

**British Telecommunications plc** 

Dated: November 29, 1996

# EXHIBIT I (Section 214 Certificates and Authorizations)

#### FCC Authorizations

#### 1. General Authorizations

ITC 85-146, Adopted June 20, 1985 ‡	Atlantic Satellite Omnibus
ITC 87-184, Adopted December 2, 1987 ‡	International Resale Carrier
ENF 88-1, Adopted November 9, 1989 ‡	Transfer of Control of RCA Global Communications, Inc.
ENF 91-01, Adopted March 12, 1991 ‡	Transfer of Control of Overseas Telecommunications, Inc.
ITC 93-167, Adopted June 18, 1993 ‡	Resell IDB Switched Services
ITC 94-290, Adopted September 30, 1994 ‡	Analog Video Services Between the U.S. and POR Satellites
ITC 95-030, Adopted March 20 ,1995 ‡	Provide Services to All Countries not Previously Requested.
ITC 95-034, Adopted December 23, 1994 ‡	Resell other carriers
ITC 95-513, Issued January 25, 1996 ‡	Resell other carriers
ITC 95-581, Adopted February 8, 1996 ‡	Blanket Facilities

‡ Authorizations granted to MCI Telecommunications Corporation

#### 2. Cable Landing Licenses

FCC 89-305 (SCL 89-004) Adopted October 26, 1989 ‡	TPC -4
FCC 90-381 (SCL 90-004) Adopted November 8, 1990 ‡	HAW-5
FCC 91-418 (SCL 91-002) Adopted December 19, 1991 ‡	TAT-11
DA 92-861 (SCL 92-002) Adopted June 25, 1992 ‡	TAINO-CARIB
DA 93-908 (SCL 93-001) Adopted July 13, 1993 ‡	Colombus II
DA 93-002 (SCL 93-002) Adopted July 13, 1993 ‡	Americas I

‡ Authorization granted to MCI International, Inc.

#### 3. Section 214 Authorization for Cable Facilities

ITC 85-219, Adopted December 17, 1985 ‡	HAW 4/TPC -3
ITC 88-071, Adopted September 14, 1988 ‡	TCS-1
ITC 89-086, Adopted October 26, 1989 ‡	TPC- 4
ITC 89-121, Adopted August 22, 1989 ‡	PTAT
ITC 90-081, Adopted November 8, 1990 ‡	HAW-5

ITC 91-045, Adopted May 13, 1991 ‡	NPC
ITC 91-135, Adopted December 19, 1991 ‡	TAT-10
ITC 91-136, Adopted December 19, 1991 ‡	TAT-11
ITC 92-106, Adopted June 25, 1992 ‡	TAINO-CARIB
ITC 93-062, Adopted July 7, 1993 ‡	TAT 12/TAT-13
ITC 93-029, Adopted July 13, 1993 ‡	Columbus II
ITC 93-030, Adopted July 13, 1993 ‡	Americas I

‡ Authorization granted to MCI International, Inc.

#### 4. Separate Satellite Systems Authorizations

- DA 91-1597 ((TC 91-134) Adopted December 20, 1991 ‡ (Intersputnik) (Private line non-interconnected to PSN between U.S., Russian Republics and Eastern Europe);
- DA 93-753 (ITC 93-178) Adopted June 10, 1993 ‡ (Colombia/TDRSS) (Private line service non interconnected to PSN between U.S., Japan, and Korea)
- DA 93-1258 (ITC 93-289) Adopted October 12, 1993 ‡ (PanAmSat) (Private line non interconnected to PSN between U.S. and Argentina).
- ‡ Authorization granted to MCI Telecommunications Corporation

#### 5. Other (WUI, RCA Globcom)

RCA Globcom - File TC 2039, Adopted June 8, 1972 (214 Authority to lease and operate satellite circuits between U.S. mainland and

Hawaii and with Guam and PacRim points);

WUI - ITC 85-100, Adopted April 16, 1985 (214 Authority to Operate Earth Stations for IBS)

RCA Globcom - ITC 86-122, Adopted August 5, 1986 (214 Authority to lease and operate facilities out of Guam for international services)

SOUTHERNNET dba Telecom\*USA - ITC 89-114, Adopted June 28, 1991 (214 Authority to Operate Facilities for private line services to Canada)

WUI - ITC 92-132, Adopted September 15, 1992 (214 Authority to Acquire and Operate Intelsat Circuits Between Guam and PacRim countries including Canada);

MCII - ITC 92-145, Adopted September 18, 1992 (214 Authority to provide IBS between Guam and points in the PacRim).

#### 6. Country Authorizations

I-T-C File Number	Date Adopted	Countries
83-052 MCIT Corp.	April 11, 1985	Canada
84-036 MCIT Corp.	February 22, 1984	Australia
85-034 MCIT Corp. & MCII	February 12, 1985	Belgium & To Acquire Facilities in TAT-7 cable
85-040 MCIT Corp.	January 11, 1985	United Kingdom
85-050 MCIT Corp.	February 1, 1985	Brazil

85-057 MCIT Corp.	February 5, 1985	Greece
85-091 MCIT Corp. MCII, Inc.	March 25, 1985	Reassign ANZCAN and HAW-3/TPC-2 systems from WUI to MCI
85-094 MCIT Corp.	March 29, 1985	Saudi Arabia
85-095 MCIT Corp.	March 29, 1985	Singapore
85-190 MCIT Corp.	August 27, 1985	Sweden
85-201 MCIT Corp. MCII, Inc.	September 16, 1985	Bermuda
85-216 MCIT Corp.	October 11, 1985	United Arab Emirates
86-003 MCIT Corp.	November 20, 1985	Hong Kong
86-050 MCIT Corp.	February 25, 1986	Argentina
86-058 MCITCorp.	March 20, 1986	France
86-072 MCIT Corp.	April 30, 1986	Ireland
86-076 MCIT Corp.	May 13, 1986	Italy
86-079 MCIT Corp.	May 20, 1986	Spain

86-080	May 20, 1986	Taiwan
MCIT Corp.		
86-111 MCIT Corp.	July 15, 1986	Japan
86-143 MCIT Corp.	August 27, 1986	The Netherlands
86-152 MCIT Corp.	September 25, 1986	Venezuela
87-001 MCIT Corp.	November 20, 1986	Denmark
87-014 MCIT Corp.	December 2, 1986	Switzerland
87-061 MCIT Corp.	February 27, 1987	Thailand
87-139 MCIT Corp.	August 4, 1987	Ecuador
87-147 MCIT Corp.	August 25, 1987	Israel
87-152 MCIT Corp.	September 21, 1987	Egypt
87-171 MCIT Corp.	October 27, 1987	Jordan
88-004 MCIT Corp.	December 1, 1987	Colombia
88-005 MCIC	February 26, 1988	Germany
88-022 MCIT Corp.	January 12, 1988	Costa Rica

88-029 MCIT Corp.	January 12, 1988	Norway
88-062 MCIT Corp.	February 29, 1988	New Zealand
88-083 MCIT Corp.	April 19, 1988	Chile
88-085 MCIT Corp.	April 27, 1988	Dominican Republic
88-102 MCIT Corp.	May 27, 1988	Finland
88-139 MCIT Corp.	July 28, 1988	Bahamas, Barbados, the Netherlands Antilles, Trinidad and Tobago
88-150 MCIT Corp.	July 27, 1988	Korea (South)
88-154 MCIT Corp.	August 12, 1988	Austria
88-170 MCIT Corp.	September 27, 1988	Malaysia
88-208 MCIT Corp.	November 8, 1988	Guatemala
89-005 MCIT Corp.	December 12, 1988	Turkey
89-006 MCIT Corp.	December 12, 1988	Kuwait
89-016 MCIT Corp.	December 12, 1988	India

89-042 MCIT Corp.	March 14, 1989	Peru
89-065 MCIT Corp.	April 27, 1989	Pakistan
89-066 MCIT Corp.	April 27, 1989	Portugal
89-093 MCIT Corp.	June 2, 1989	Bolivia
89-094 MCIT Corp.	June 2, 1989	Panama and Haiti
89-113 MCIT Corp.	August 23, 1989	Cyprus and Liberia
89-128 MCIT Corp.	August 23. 1989	Kenya and Senegal
89-137 MCIT Corp.	September 15, 1989	Uruguay
89-138 MCIT Corp.	September 15, 1989	Algeria and Tunisia
89-144 MCIT Corp.	September 21, 1989	Iran
89-150 MCIT Corp.	September 21, 1989	Luxembourg
89-151 MCIT Corp.	September 21, 1989	Bahrain
89-152 MCIT Corp.	September 21, 1989	Paraguay

89-155 MCII, Inc.	November 29, 1989	Use of PTAT-1 Cable System to Provide Svcs to UK
90-002 MCIT Corp.	December 22, 1989	Mexico
90-007 MCIT Corp.	December 27, 1989	El Salvador
90-025 MCIT Corp.	January 31, 1990	Iceland
90-026 MCII, Inc.	January 12, 1990	Use of PTAT-1 for service to Bermuda and Iceland
90-029 MCIT Corp.	January 31, 1990	Cayman Islands
90-042 MCII, Inc.	March 20, 1990	Use of PTAT-1 for svcs with UK and Ireland
90-051 MCIT Corp.	March 20, 1990	Aruba
90-076 MCIT Corp.	June 7, 1990	Syria
90-079 MCIT Corp.	June 28, 1990	Honduras
90-084 MCIT Corp.	June 28, 1990	Morocco
90-090 MCIT Corp.	June 7, 1990	Iraq
90-093 MCIT Corp.	July 19, 1990	Sri Lanka

	T	,
90-095 MCIT Corp.	July 19, 1990	Saipan
90-096 MCIT Corp.	July 19, 1990	Indonesia
90-117 MCIT Corp.	August 22, 1990	Yemen
90-140 MCIT Corp.	September 11, 1990	Nigeria
90-142 MCIT Corp.	September 11, 1990	Bangladesh
90-164 MCIT Corp.	November 21, 1990	Jamaica
90-169 MCIT Corp.	December 18, 1990	Antigua
90-193 MCIT Corp.	January 10, 1991	Czechoslovakia
91-001 MCIT Corp.	January 10, 1991	Hungary
91-002 MCIT Corp.	January 10, 1991	USSR
91-009 MCIT Corp.	November 27, 1990	the Philippines
91-033 MCIT Corp.	January 31, 1991	Qatar
91-043 MCIT Corp.	March 8, 1991	China

91-048 MCIT Corp.	March 27, 1991	British Virgin Islands, Grenada, St. Lucia, and St. Vincent
91-058 MCIT Corp.	March 27, 1991	Poland
91-063 MCIT Corp.	March 29, 1991	South Africa
91-106 MCIT Corp.	June 10, 1991	Nicaragua
91-148 MCIT Corp.	August 7, 1991	Malawi and Zambia
91-156 MCIT Corp.	August 7, 1991	Ethiopia, Gabon, Gambia, and Sierre Leone
91-175 MCIT Corp.	September 24, 1991	American Samoa
91-181 MCIT Corp.	September 30, 1996	Suriname
91-211 MCIT Corp.	November 15, 1991	Lebanon
92-038 MCIT Corp.	March 13, 1992	Cameroon
92-098 MCIT Corp.	April 1, 1992	Fiji
92-113 MCIT Corp.	May 29, 1992	Ghana, Romania, and Yugoslavia
92-146 MCIT Corp.	May 29, 1992	Uganda

92-172 MCII, Inc.	July 22, 1992	Dominica and St. Kitts and Nevis
92-194 MCIT Corp.	October 7, 1992	Belize and Tanzania
92-196 MCII, Inc.	October 7, 1992	Montserrat
92-215 MCIT Corp.	October 23, 1992	Congo, Guinea, and Swaziland
92-216 MCIT Corp.	October 23, 1992	Botswana, Cape Verde and Niger
92-221 MCIT Corp.	October 23, 1992	Macao
92-232 MCIT Corp.	November 4, 1992	Bulgaria
92-236 MCIT Corp.	November 4, 1992	Albania
92-243 MCIT Corp.	November 12, 1992	Tonga
93-051 MCIT Corp.	April 21, 1993	Guyana
93-055 MCIT Corp.	April 21, 1993	Ivory Coast
93-109 MCIT Corp.	June 18, 1993	Anguilla
93-201 MCIT Corp.	July 28, 1993	Burkina Faso and Mali

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93-205 MCIT Corp.	July 28, 1993	Malta, Mauritania, Togo, and Zimbabwe
93-248 MCIT Corp.	September 13, 1993	Turks and Caicos
93-249 MCIT Corp.	September 28, 1993	Korea (North) Switched Transit
93-299 MCIT Corp.	October 8, 1993	Brunei
93-310 MCIT Corp.	October 20, 1993	Angola, Mauritius, Mozambique, and Rwanda
94-060 MCIT Corp.	February 17, 1994	Papua New Guinea
94-119 MCIT Corp.	March 28, 1994	Oman
94-228 MCIT Corp.	October 4, 1994	Cuba
94-249 MCIT Corp.	June 15, 1994	Use of Colombia/TDRSS for the Provision of Private Lines Services
94-250 MCIT Corp.	June 24, 1994	Cambodia
94-323 MCIT Corp.	July 13, 1994	Benin
94-340 MCIT Corp.	August 22, 1994	Dominican Republic (Use of PanAmSat)

94-427 MCIT Corp.	October 24, 1994	Marshall Islands and Micronesia
95-031 MCIT Corp.	March 7, 1995	International Simple Resale to UK
95-034 MCIT Corp.	December 28, 1995	Resale of Public Switched Services of NTC and Saetel
95-416 MCIT Corp.	August 30, 1995	Resale of Asian American Telcom Services to Russia

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#### **VOLUME TWO, SECTION B**

# NOTIFICATION PURSUANT TO SECTION 63.11(b) OF PLANNED INVESTMENT BY A FOREIGN CARRIER

MCI Communications Corporation and its subsidiaries authorized to provide international communications services under Part 63 of the Commission's Rules ("MCI") hereby notify the Federal Communications Commission ("FCC" or "Commission"), pursuant to Section 63.11(b) of the Commission's Rules, 47 C.F.R. § 63.11(b), of a planned investment by British Telecommunications plc ("BT"), a foreign carrier, of a ten percent or greater interest in the capital stock of MCI, by virtue of the proposed merger of BT and MCI.

#### I. NOTIFICATION OF PLANNED INVESTMENT

Pursuant to Section 63.11(b), MCI submits the following information:

(c) MCI hereby certifies that upon consummation of the proposed transfer of control, it will have affiliations with foreign carriers within the meaning of § 63.18(h)(1), in the following countries:

Country	Name of Affiliated Carrier	MCI Authority to Serve Country
Australia	BT Australasia	ITC-85-036 (IMTS)
Belgium	BT Worldwide	ITC-85-034 (IMTS)
France	BT France SNC	ITC-86-058 (IMTS)
Germany	VIAG InterKom	ITC-88-005 (IMTS)
		ITC-94-249 (private line)

Gibraltar	Gibraltar Telecommunications International Limited ("GibTel")	ITC-95-030 (IMTS)
Hong Kong	BT Hong Kong	ITC-85-003 (IMTS)
Ireland	BT Worldwide	ITC-86-072 (IMTS)
Italy	Albacom	ITC-86-076 (IMTS)
Mexico	Avantel, S.A.	ITC-90-002 (IMTS)
New Zealand	Clear Communications Limited ("Clear")	ITC-88-062 (IMTS)
Russia	St. Petersburg International Joint Stock Company ("SPI")	ITC-95-416 (resale)
Spain	BT Telecommunicaciones ("BTT")	ITC-86-079 (IMTS)
Switzerland	BT Worldwide	ITC-87-014 (IMTS)
The Netherlands	BT Worldwide	ITC-86-143 (IMTS)
United Kingdom	British Telecommunications (and other affiliates and subsidiaries of BT that provide telecommunications services in the UK)	ITC-85-040 (IMTS) ITC 95-031 (private line)

Except for Avantel, S.A., in which MCI now holds a capital stock interest of greater than 25 percent, and Clear, in which BT and MCI each presently hold 25 percent interests, all of the above are companies controlled by BT.